

STATE OF NEW YORK

Long Sault, Inc.

DEPARTMENT OF TAXATION AND FINANCE

BOARD OF CONFERRERS - CORPORATION TAX BUREAU

In the Matter of the Application of

LONG SAULT, INC.

Hearing Case No. 3794

For refund of tax under Section 186-a  
of Article 9 of the Tax Law for the  
quarters ending February, 1964, May, 1964,  
August, 1964, and November, 1964.

The taxpayer computed and paid the following taxes:

<u>Period</u>	<u>Gross Income Taxable</u>	<u>Rate</u>	<u>Tax</u>
February, 1964	\$542,368.92	2%	\$10,847.38
May, 1964	348,797.00	2%	10,975.94
August, 1964	411,811.00	2%	8,236.22
November, 1964	1,053,108.00	2%	21,062.16

Timely application was filed on February 5, 1965.

The application states, in part, as follows:

"In reporting the Gross Income for Long Sault, Inc., in Form CT 10, we erroneously included, under the classification "Income from Electricity," receipts from sales of electricity to the Power Authority of the State of New York for resale in the total amount of \$1,302,631. Applying the tax rate of 2%, this results in an overpayment of tax in the amount of \$26,052.62 for the period from December 1, 1963 to November 30, 1964.

"Under Regulation 240, receipts from sales for resale are not taxable gross income."

Question 37 in Article 240 of the 186-a regulations reads as follows:

"The "A" gas company in New York sells and delivers to the "B" gas company in New York two million cubic feet of gas, which the "B" company resells to consumers. Are the receipts from the sale of "A" to "B" taxable?"

Answer. "No."

Based on the foregoing, the taxes have been corrected, as follows:

<u>Period</u>	<u>Corrected Gross Income Taxable</u>	<u>Rate</u>	<u>Tax</u>
February, 1964	\$382,500.92	2%	\$7,650.02
May, 1964	311,951.00	2%	6,239.02
August, 1964	194,014.00	2%	3,880.28
November, 1964	364,988.00	2%	7,299.76

I approve

James R. Macduff

3/3/65

Ira J. Palestin

3/8/65

The above corrections result in a refund of \$26,052.62

/s/

WILLIAM F. SULLIVAN

**Chairman**

/s/

DONALD H. GILHOLLY

WFS:MB

February 24, 1965